MACA UPDATE

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Northwest Territories Municipal and Community Affairs

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introduction

Every fall, the Department of Municipal and Community Affairs (MACA) publishes and distributes the MACA Update to community governments. The purpose of the MACA Update is to provide community governments with an indication of the level of funding they can anticipate for the coming year.

The information contained in this document can be very useful for community governments, especially in those cases where the fiscal calendars of the Government of the Northwest Territories and the community government are not consistent. Therefore, MACA strives to include as much information as possible to assist community governments in their planning.

The information provided in the MACA Update includes formula-based funding amounts for each community, other community funding amounts, and information on the proposed Infrastructure Acquisition Plan. It is important to note that these funding amounts are subject to approval by the Legislative Assembly.

The MACA Update also includes information about MACA's new and existing programs and initiatives that may be useful to community governments. Also included in this publication is information on specific MACA policies and legislation, that have been changed or are currenty under review, that are of particular interest to community governments.

As Minister of Municipal and Community Affairs or the 16th Legislative Assembly, I look forward to continuing the hard work we started during the 15th Assembly and am excited about what we can accomplish together over the next four years.

Michael McLeod
Minister, Municipal and Community Affairs

financial projections and information

Operations and Maintenance Funding[1]

Community	Approved 2007-2008	Proposed 2008-2009[2]	Proposed 2009-2010[2]
Aklavik	1,217,000	1,217,000	1,217,000
Behchoko	1,425,000	1,425,000	1,425,000
Colville Lake	554,000	554,000	554,000
Deline	1,182,000	1,182,000	1,182,000
Dettah	376,000	376,000	376,000
Enterprise	347,000	640,000	640,000
Fort Good Hope	1,164,000	1,164,000	1,164,000
Fort Liard	997,000	997,000	997,000
Fort McPherson	1,219,000	1,219,000	1,219,000
Fort Providence	1,049,000	1,049,000	1,049,000
Fort Resolution	619,000	619,000	619,000
Fort Simpson	1,230,000	1,230,000	1,230,000
Fort Smith	1,413,000	1,413,000	1,413,000
Gameti	944,000	944,000	944,000
Hay River	1,788,000	1,788,000	1,788,000
Hay River Reserve	427,000	427,000	427,000
Inuvik	2,120,000	2,120,000	2,120,000
Jean Marie River	392,000	392,000	392,000
Kakisa	324,000	324,000	324,000
Lutselk'e	562,000	562,000	562,000
Nahanni Butte	419,000	419,000	419,000
Norman Wells	915,000	915,000	915,000
Paulatuk	1,283,000	1,283,000	1,283,000
Sachs Harbour	1,157,000	1,157,000	1,157,000
Trout Lake	406,000	406,000	406,000
Tsiigehtchic	1,115,000	1,115,000	1,115,000
Tuktoyaktuk	1,400,000	1,400,000	1,400,000
Tulita	1,264,000	1,264,000	1,264,000
Uluhaktok	1,241,000	1,241,000	1,241,000
Wekweeti	793,000	793,000	793,000
Whati	1,185,000	1,185,000	1,185,000
Wrigley	476,000	476,000	476,000
Yellowknife	6,068,000	6,068,000	6,068,000
Total	**37,071,000**	**37,364,000**	**37,364,000**

Notes

(1) All funding is subject to the approval of the Legislative Assembly.

(2) As per the provisions of the Community Government Funding Policy, MACA will conduct an analysis of forced growth requirements and, if approved, will apply this funding in future years.

Proposed 2008-2009 Community Government Funding

Community	Additional Insurance Funding	NORCIX Insurance Funding	Mobile Equipment Funding	Band Utility Funding	Seniors/ Disabled Property Tax[3]	Grant-in-lieu[3]	Water and Sewer
Aklavik	23,935	20,563	-	-	-	-	463,220
Behchoko	36,824	11,802	-	-	-	-	668,143
Colville Lake	-	-	5,875	189,897	-	-	240,136
Deline	20,149	14,415	-	-	-	-	333,956
Dettah	-	-	8,281	64,908	-	-	170,911
Enterprise	4,159	-	14,717	955	-	-	137,489
Fort Good Hope	23,935	28,803	-	-	-	-	336,939
Fort Liard	19,826	22,469	-	-	-	-	442,815
Fort McPherson	21,206	26,709	-	-	-	-	595,148
Fort Providence	24,105	26,159	0	-	-	-	398,432
Fort Resolution	-	-	26,650	-	-	-	443,397
Fort Simpson	49,861	20,918	-	-	2,976	220,000	497,069
Fort Smith	75,995	27,289	-	-	34,282	465,000	210,683
Gameti	16,494	6,780	-	-	-	-	250,292
Hay River	91,633	24,034	-	-	67,611	485,000	372,464
Hay River Reserve	-	-	46,748	43,766	-	-	215,096
Inuvik	62,577	25,408	0	-	24,045	868,000	410,256
Jean Marie River	-	-	33,590	120,023	-	-	181,956
Kakisa	-	-	27,434	32,822	-	-	142,992
Lutselk'e	-	-	41,804	104,301	-	-	197,383
Nahanni Butte	-	-	36,169	138,721	-	-	166,934
Norman Wells	49,253	31,813	-	-	1,309	55,000	344,985
Paulatuk	17,906	11,716	-	-	-	-	242,466
Sachs Harbour	17,310	15,831	-	-	-	-	207,942
Trout Lake	-	-	45,409	22,161	-	-	201,210
Tsiigehtchic	16,061	18,168	-	-	-	-	194,831
Tuktoyaktuk	31,968	23,548	-	-	-	-	404,118
Tulita	14,628	10,043	-	-	-	-	284,292
Ulukhaktok	29,743	28,471	-	-	-	-	217,936
Wekweeti	16,676	8,364	-	-	-	-	204,744
Whati	19,827	16,099	-	-	-	-	285,413
Wrigley	-	-	29,375	149,904	-	-	134,157
Yellowknife	359,145	80,571	-	-	113,677	3,150,000	-
Total	**1,043,216**	**500,000**	**301,333**	**866,503**	**243,900**	**5,243,000**	**9,597,755**

(3) Seniors/Disabled Property Tax Rebate and Grant-in-lieu of Taxes are budgeted amounts. Actual amounts will be invoiced from the eligible communities.

2008 - 2011 Infrastructure Aquisition Plan[1]

Project	Community	2007-2008	2008-2009	2009-2010	2010-2011	Future Years
Formula Funding	All	22,592	28,000	28,000	28,000	56,000
Bundled Water Treatment Plant Project	Aklavik, Behchoko, Deline, Tuktoyaktuk, Ulukhaktok	1,449	1,293	10	-	-
Road Erosion Protection	Aklavik	50	-	-	-	-
Water/Sewer Main Replacement	Behchoko	404	-	64	-	-
Water Supply	Colville Lake	290	-	-	-	-
Water Treatment Plant Upgrade	Fort Smith	-	1,398	-	-	-
Gym Replacement	Gameti	1,200	10	-	-	-
Sewage Lagoon Upgrade	Hay River	463		-	-	-
Woodbox Utilidor Replacement	Inuvik	732		-	-	-
Gym	Nahanni Butte	1,460	1,411	16	-	-
Intake Repair	Sachs Harbour	440		-	-	-
MRIF Innovation Fund	Tax Base	726	889	-	-	-
Community Office	Ulukhaktok	40	-	-	-	-
Corrugated Metal Pipe Replacement	Yellowknife	2,297	1,995	-	-	-
Total		**32,143**	**34,996**	**28,090**	**28,000**	**56,000**

NOTE: All figures in thousands of dollar

(1) All funding is subject to the approgal of the Legislative Assembly

Capital Formula Funding Projections[1]

Community	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	Five Year Total
Aklavik	823	823	823	823	823	4,115
Behchoko	1,036	1,036	1,036	1,036	1,036	5,180
Colville Lake	675	675	675	675	675	3,375
Deline	809	809	809	809	809	4,045
Dettah	708	708	708	708	708	3,540
Enterprise	646	646	646	646	646	3,230
Fort Good Hope	805	805	805	805	805	4,025
Fort Liard	815	815	815	815	815	4,075
Fort McPherson	864	864	864	864	864	4,320
Fort Providence	866	866	866	866	866	4,330
Fort Resolution	799	799	799	799	799	3,995
Fort Simpson	943	943	943	943	943	4,715
Fort Smith	1,114	1,114	1,114	1,114	1,114	5,570
Gameti	735	735	735	735	735	3,675
Hay River	1,260	1,260	1,260	1,260	1,260	6,300
Hay River Reserve	736	736	736	736	736	3,680
Inuvik	1,231	1,231	1,231	1,231	1,231	6,155
Jean Marie River	640	640	640	640	640	3,200
Kakisa	620	620	620	620	620	3,100
Lutselk'e	768	768	768	768	768	3,840
Nahanni Butte	665	665	665	665	665	3,325
Norman Wells	869	869	869	869	869	4,345
Paulatuk	740	740	740	740	740	3,700
Sachs Harbour	668	668	668	668	668	3,340
Trout Lake	646	646	646	646	646	3,230
Tsiigehtchic	696	696	696	696	696	3,480
Tuktoyaktuk	899	899	899	899	899	4,495
Tulita	789	789	789	789	789	3,945
Ulukhaktok	772	772	772	772	772	3,860
Wekweeti	675	675	675	675	675	3,375
Whati	788	788	788	788	788	3,940
Wrigley	692	692	692	692	692	3,460
Yellowknife	2,210	2,210	2,210	2,210	2,210	11,050
Total	**28,000**	**28,000**	**28,000**	**28,000**	**28,000**	**140,000**

(1) All funding is subject to the approval of the Legislative Assembly.

summary of MACA funding

Program	2008 - 2009 Budget	Comments
Capital Formula Funding	$28 million for all NWT communities.	Funding to community governments for community public infrastructure costs.
O&M Funding	$37,364,000	Funding to community governments for operations and maintenance costs.
Water and Sewer Funding	$9,595,000	Funding to community governments for standard operational water and sewer costs.
Property Taxation Revenue Grant Program	$350,000 for Hamlets, Charter Communities and Tlicho Communities.	Grant is provided to most non-tax-based communities equal to the property tax revenue collected from ratepayers in the community in the prior taxation year.
Insurance Funding	$1 million in base funding for all communities except bands and settlements; and $500,000 additional funding for communities who are members of NORCIX	Funding to assist communities with their insurance premium costs.
Utility funding	$867,000 for utility costs for community public infrastructure (CPI) located in band and settlement communities. CPI in band and settlement communities is owned by the GNWT.	Funding directly to community governments, who are responsible for paying their utility costs.
Gas Tax Agreement	$37.5 million over five years for all NWT communities.	See the "Gas Tax Agreement" (on page 16) for community government allocations and reporting requirements.

Program	2008 - 2009 Budget	Comments
Municipal and Rural Infrastructure Fund	$19.2 million over seven years starting in 2003-2004.	Funding for water, wastewater and solid waste projects. Cost shared program with communities (50-50 basis for non-tax-based, 1/3-1/3-1/3 for tax-based). Projects appear in MACA's capital plan.
Sport and Recreation Funding	$450,000 for the NWT Council of Sport and Recreation Partners.	Core funding.
	$80,000 for the High Performance Grant Program.	Application based.
	$875,000 for the contributions to eligible community governments for Sport and Recreation initiatives.	Formula allocation.
Volunteer Funding	$20,000 to assist non-profit non-government agencies with training for volunteers.	Application based.
Youth Funding	$750,000 for community governments and organizations involved in the development and delivery of programs to support NWT youths in skill development.	Application based.
	$150,000 for the Youth Contributions Program, which provides funding for eligible youth initiatives.	Application based.
	$250,000 to provide support to community governments or other organizations that operate youth centres.	Application based.
Community Initiatives Program	$1 million for funding to address community priorities for healthy lifestyles.	Application based.
Community Development Funding	$575,000 for eligible organizations for community development initiatives.	Application Based.
Association Funding	$390,000 in contribution funding to NWT Association of Communities, Local Government Administrators of the NWT, Arctic Energy Alliance and other organizations who work in partnership with MACA to achieve departmental goals	Core funding.

what's new in 2007

Expanded Authority and Accountability

On April 1, 2007, the New Deal for NWT Community Governments was formally implemented and community governments assumed full authority for Community Public Infrastructure (CPI), including planning, financing, project management and maintenance. Although a large number of tasks have been completed to officially kick off the New Deal, a number of other important implementation activities are scheduled for the current year and into the future.

Community Government Funding Policy

Effective April 1, 2007, a new Executive Council policy and four MACA policies were put into place. Collectively, these policies guide the provision of the majority of departmental funding to community governments. MACA has consulted extensively with community governments and the Northwest Territories Association of Communities (NWTAC) during the development of the policy changes.

The Community Government Funding Policy (CGFP) was initially formally approved by Executive Council and used by MACA as the basis for providing funding allocations starting in 2001-2002. The CGFP was structured to provide the overall policy framework for funding to community governments and to reflect the operationalization of three departmental policies - Extraordinary Funding; Municipal Infrastructure Funding; and Formula-Based Funding. In addition, the Executive Council approved Water and Sewer Services Subsidy Policy provided the framework for the provision of funding for water and sewer services to community governments.

The revisions made to the CGFP continue this structure, and reflect changes made to existing Ministerial policies. The revisions also reflect that the Water and Sewer Services Subsidy Policy has been rescinded, and replaced with an additional Ministerial policy to guide how the Department allocates funding for water and sewer services.

The changes to the CGFP reflect increasing autonomy and authority of community

governments and are consistent with recent legislative changes that set out the broad policy framework, accountability, and reporting requirements of community governments.

The revisions to the CGFP reflect the following categories of changes:

Enhanced responsibility and authority of community governments contained in the following new Ministerial policies:

- Revised - Community Public Infrastructure Funding;
- Revised - Operations and Maintenance Funding;
- Revised - Extraordinary Funding; and
- New - Water and Sewer Services Funding.

Additional provisions respecting community government responsibility for prudent planning and management:

- All contracts for the supply of services or materials for projects or services should be awarded in a way that is transparent, competitive and consistent with value for money principles; and
- The Department encourages community governments to establish reserves of at least three percent and recommends ten percent to resolve unforeseen or unbudgeted financial pressures.

MACA commitments regarding forced growth funding, funding projections; and Ministerial policy review:

- Funding programs should recognize that there will be hard to control increases in community government costs in providing community government programs and services;
- Eligible community governments will be given three-year funding projections three months before the end of the community government's fiscal year; and
- The Department will review the suitability of the ministerial funding policies at least every five years and may make recommendations to the Minister.

The changes to the CGFP reflect the increasing autonomy and authority of community governments and are consistent with recent legislative changes that set out the broad policy framework, accountability, and reporting requirements of community governments. The CGFP reflects that it is the responsibility of community governments to deliver municipal programs and services, but that the GNWT has a role to play in assisting through the provision of funding, advice and assistance.

Community Public Infrastructure (CPI) Policy

Using the prior Infrastructure Funding Policy as the basis, the CPI policy reflects the following categories of changes:

- Name change to clarify that the policy only addresses CPI and not Territorial Public Infrastructure (i.e. health centres, jails);
- Full community government responsibility and authority for CPI, including associated operations and maintenance;
- Communities are responsible for planning, including the preparation and review of a five year capital investment plan;
- Definitions and approaches to accounting for capital assets (Generally Accepted Accounting Principles, as set out by the Public Sector Accounting Board);
- Carification of eligibility and funding criteria, and use of funds; and
- Financial implications of non-compliance with the Policy.

In 2008-2009, MACA is projecting to provide community governments with $28 million in capital formula funding under the CPI Policy.

Operations and Maintenance Funding Policy

Using the prior Formula-Based Funding Policy as the basis, the Operations and Maintenance (O&M) Funding Policy reflects the following categories of changes:

- Name change to reflect that the purpose of the funding is for O&M only, and is distinct from CPI or extraordinary funding;
- Minor changes in the formula used to calculate proportionate allocations; and
- Enhanced responsibility and authority of community governments, including the fact that community governments should exercise full authority and responsibility for the provision of community government services.

In 2008-2009, MACA is projecting to provide community governments with $37 million in O&M funding under the Operations and Maintenance Funding Policy.

Extraordinary Funding Policy

Using the existing policy as the basis, the revisions to the Extraordinary Funding Policy reflect the following categories of changes:

- More stringent financial criteria and greater onus on community governments to take the necessary steps to address unbudgeted events;
- Clarification of the type of extraordinary event that qualifies for funding. Extraordinary funding is not intended to enhance municipal services or for CPI; and
- Under the New Deal, communities have access to ongoing capital funding, gas tax funding and expanded borrowing powers and should not have to access extraordinary funding except for very rare occurrences.

Water and Sewer Funding Policy

Using the prior Executive Council policy as the basis for the Ministerial policy and retaining many of its elements, the new Water and Sewer Services Funding Policy reflects the following categories of changes:

- Enhanced responsibility and authority of community governments. Amongst other stipulations, community governments should operate their water and sewage systems on a cost-recovery basis; leverage funding from a variety of sources; and operate and maintain systems in a manner that ensures the health and safety of community residents is protected;
- Provision that the Minister of MACA will establish criteria pursuant to the policy for categories of users and rate setting; and
- Formula changes to move from a subsidy approach to a standard cost allocation approach.

In 2008-2009, MACA is projecting to provide community governments with $9.6 million in water and sewer funding under the Water and Sewer Services Funding Policy.

New Deal Implementation and Transition

MACA recognizes that the transfer of community public infrastructure authority will have an impact on community government operations and that some communities will need MACA to provide support, advice and assistance during the implementation of the New Deal. In order to address these concerns, MACA is planning a number of initiatives in 2007-2008 to help communities to benefit fully from the authorities transferred under the New Deal.

In addition to regular and consistent contact with community government councils and staff, MACA staff are working to establish an internal system to track the support provided to each community and the areas where additional support is required.

MACA has also developed an electronic capital investment planning tool for community governments to use when developing their annual capital investment plans. The development of the electronic tool is now complete and the infrastructure information specific to each community has been entered. MACA staff will be providing communities with one-on-one training sessions with this tool during the community's annual capital planning session – either fall 2007 or spring 2008, depending on the community's budgetary cycle.

MACA is also planning to deliver regional workshops for community government staff on issues related to community government finance. The senior administrative officer, comptroller and finance clerk from each community will be invited to attend the workshop in their region.

MACA has also developed a Community Tool Kit on MACA's website, www.maca.gov.nt.ca, which provides community government staff and councillors with a wide variety of resources, such as information on community governance, human resource planning, community infrastructure planning, and maintenance management. The website also provides community governments with information on the Canada-NWT Gas Tax Transfer Agreement and the Municipal and Rural Infrastructure Fund. Several documents have been added to the Tool Kit and additional information will be posted as it is developed.

Transfer of Existing Community Infrastructure

As part of the transfer of full authority for community public infrastructure, MACA will be ensuring that the ownership of the existing infrastructure in each community is transferred to the community government. The ownership of the individual assets in each community may have been previously transferred to the community government; however, MACA would like to formalize the transfer by ensuring the associated parcel of land is also transferred. By formalizing the ownership of the infrastructure, community governments will be in a better position to secure loans or enter into joint ventures to share infrastructure or renovate existing community buildings.

MACA will be sending each community government a letter outlining the parcels MACA intends to transfer to each community. Since the *Charter Communities Act*, the *Cities, Towns and Villages Act*, the *Hamlets Act* and the *Tlicho Community Government Act* require community governments to pass a Land Administration Bylaw prior to the acquisition of land, MACA staff will be contacting those communities that do not have a Land Administration Bylaw in the fall of 2007 to begin the process of passing this bylaw. MACA will be conducting the land transfers to those communities with Land Administration Bylaws in 2007-2008 and will conduct the remaining transfers over the 2008-2009 fiscal year.

Evaluation of the New Deal for Community Governments

MACA has started developing measures and indicators to gauge the effectiveness of the New Deal. An evaluation framework will help MACA and the community governments to identify innovations that have succeeded, and can be shared among NWT communities and elsewhere. It will also help us identify areas where the initiative was not successful, and where we need to change our approach to improve the success of the program.

MACA is planning to conduct the first part of the evaluation during 2007-2008. The work to be completed in 2007-2008 will include a stakeholder satisfaction evaluation, which will focus on the challenges currently facing community governments and the resources that are available to them. In a few years MACA will conduct a similar stakeholder satisfaction evaluation to determine the extent to which the New Deal has met the needs of community governments. MACA staff will be in contact with community governments over the coming months to request their input into the evaluation.

Ground Ambulance and Highway Rescue Services

For several years, community governments and other stakeholders have raised concerns about the lack of a comprehensive, coordinated system of ground ambulance and highway rescue services in the Northwest Territories, and about the need for clarity with regard to service levels, responsibility for service delivery, and associated funding.

There have been several studies done on this issue, most recently one commissioned by MACA and the Department of Health and Social Services (HSS) that was released in November 2006 and circulated to all stakeholders in January 2007. This study proposed a series of options, ranging from maintaining the status quo to a legislated program delivery mandate supported by the GNWT.

MACA and HSS are working towards a legislative framework and coordinated program delivery as the ultimate goal, but recommended that, in the short-term, the Government of the Northwest Territories (GNWT) move forward with modified Option 1(a).

To address short-term pressures in 2007-2008, MACA and HSS established, on a one-time

basis, the "Ground Ambulance and Highway Rescue Services" program to provide funding to community governments to support training or capital upgrades for ambulance and highway rescue services. Funding has been provided to eligible community governments to address immediate needs such as support for training, or capital upgrades for ambulance and highway rescue equipment.

To address the long-term issue, MACA and HSS are currently engaged in data collection and establishing monitoring mechanisms to determine uses and costs of current service delivery. This information will be used to create a foundation for a longer term informed policy choice. The long-term intent is to develop:

- An appropriate regulatory framework (legislation and regulations, as required);
- A service levels model that outlines appropriate service levels depending on the community;
- The funding framework; and
- Programming consistent with the regulatory, service levels, and funding frameworks.

Given the scope of the issues and the ongoing consultation which must occur with community governments and other stakeholders, it will likely take several years to fully implement the legislative framework for ground ambulance and highway rescue services.

Fire Service Merit Awards

In 2002, MACA developed and launched the NWT Fire Service Merit Awards Program to recognise the contributions of fire fighters and communities to fire prevention, education, and safety in the Northwest Territories.

In 2006, MACA began a review of the Program to evaluate the program's effectiveness and determine ways to help increase clarity and public awareness. As a result, MACA streamlined the nomination and application processes, created new program guidelines and made the Program easier to administer. The new Program has also resulted in the creation of an "Honours" award that highlights accomplishments that have a territory-wide impact.

The newly designed program was released in August 2007, and it will continue to highlight the accomplishments of the territorial fire service on an annual basis.

Public Transit Fund

In April 2007, the Northwest Territories Public Transit Fund was announced by the Minister of MACA, along with Gordon Van Tighem, President of the Northwest Territories Association of Communities (NWTAC.) This announcement coincided with the signing of the Canada-Northwest Territories Public Transit Agreement. Together with trust funds already received from the Government of Canada, the Agreements provide a total of $1.7 million allocated to help Northwest Territories communities address public transit priorities.

Eligible projects under the Northwest Territories Public Transit Fund include:

- Capital costs of public transit systems, which includes the establishment of transit services for seniors and physically challenged residents as well as rapid transit and transit busses;
- Active transportation infrastructure, including bike-lanes; and

- Intelligent transportation systems, including transit priority systems and technology that enhances safety and security of transit operations.

There are three application intakes, with application deadlines of May 15, 2007; August 31, 2007; and March 1, 2008.

Based on the first two intakes, demand from interested communities has exceeded the availability of funds. Prior to the acceptance of applications, scoring criteria were developed in cooperation with the NWTAC so that applications could compete fairly for the available funds.

Through the first two application intakes $5 million in applications have been considered and a total of $1,275,749 in funding has been distributed to fund a total of nine projects. Projects approved to date include the purchase of public transit vehicles and associated infrastructure and the development of community trail systems and walkways.

The remainder of the funds will be allocated after the March 1 deadline for funding.

Youth Centres Initiative

In August 2007, the Minister of MACA announced that $250,000 in new funding was available to support the operation of community youth centres through the Youth Centres Initiatives Program.

Community governments, or community government supported organizations, can apply for funding to offset the operating costs of facilities that exist to deliver healthy lifestyle programming for youth between the ages of 15-25. Funding that is eligible to be supplemented may include the following:

(a) Staff costs related to supervising or operating positive youth development programs.

(b) Materials and supplies for positive youth development programs.

(c) Instructor or consultant fees and costs related to positive youth development programs.

Community governments and supported organizations are eligible for up to a maximum of $25,000 in a fiscal year.

The application deadline for 2007-2008 projects was September 17, 2007. The application deadline for projects in 2008-2009 will be announced later in the winter. For more information contact Cory Emsley, Youth and Volunteer Program Officer, at (867) 873-7329

Community Government Training and Accreditation

In a ceremony held at the Legislative Assembly on February 5, 2007, the Minister of MACA signed a Letter of Agreement with the University of Alberta for course equivalencies between MACA's Community Government Management Program and the National Advanced Certificate in Local Authority Administration (NACLAA) Program.

The School of Community Government offers a 16-course Community Government Management Program that provides students the opportunity to choose their stream of specialization, either as a Senior Administrative Officer or Housing Manager. Community government staff and industry professionals collaborated to build the curriculum based on NWT regulations, northern issues and realities and community best practices. Since 1999, over 340 NWT senior community government and housing authority employees have registered in community government management courses.

The signing of this agreement with the University of Alberta enables NWT students enrolled in the Community Government Management Program to seek university-level equivalency course credits toward certification in the nationally recognized NACLAA and through the School of Community Government's training courses. It takes about 16 days to complete a course through NACLAA and eight full day sessions through the school of Community Government. Access to the distance education program is a significant opportunity for senior community government staff to study on-line, and achieve national certification while remaining in their home communitie.

For more information on what courses are available and how to access them, contact Melanie Grindlay, Manager of Training and Development, School of Community Government, at (867) 873-7597.

Recognition of the courses in MACA's Community Government Management Program is indicative of the high quality of education provided by the Government of the Northwest Territories for community government staff.

updates

Community Emergency Planning

The Civil Emergency Measures Act directs all communities to plan for, and respond to, any natural disasters or civil emergencies that may occur within their jurisdiction. MACA has a role to play to provide assistance and guidance to communities in completing and maintaining those plans.

In recent years, the types of emergencies that communities need to respond to have changed and community emergency plans have not all been kept updated to reflect this evolution. In addition, new non-renewable resource development pressures have meant that in some cases, there is a need to ensure that community and private sector response plans work together.

As a result, MACA is developing an up to date emergency plan template to assist in continuing to provide support and advice to community governments in the development and implementation of their emergency plans. This may include, where the community is on the proposed pipeline route, support to ensure the integration of the pipeline emergency plans with community emergency plans.

Gas Tax Agreement and Integrated Community Sustainability Plans

Entered into in November 2005, the signing of the Gas Tax Agreement reflected the completion of significant work and collaboration between MACA the NWT Association of Communities New Deal Working Group and Administrators New Deal Working Group. Both of these organizations worked with MACA throughout the negotiations on the Agreement and were instrumental in helping to determine the allocation formula for the funding available under the Agreement.

This agreement is a five-year funding Agreement with the Government of Canada which provides communities with funding for environmentally sustainable municipal infrastructure.

Total funding of $37.5 million is available to the Northwest Territories over the five years of the agreement (2005-2006 to 2009-2010) with the intent of ongoing funding of $15 million per year for an additional five years after that. During the 2007 budget address, the federal government did offer a commitment of increased funding from 2010-2011 through to 2013-2014, but details of the extension past 2010 are not yet available.

Under the terms of the Agreement, there are milestones scheduled for communities and the GNWT.

- Communities were required to complete a Capital Investment Plan by March 31, 2007. MACA worked closely with community governments to provide a methodology and template that could be used in the development of these Capital Investment Plans. Most community governments had submitted approved plans at the time of the preparation of the MACA update;
- All communities are also required to complete an Integrated Community Sustainability Plan (ICSP) by March 2010. The draft template for the ICSP was shared with community governments at the April 2007 Strengthening Communities Conference and the May 2007 NWTAC Annual General Meeting;
- The ICSP Template includes the overall Governance/Strategic Plan, the Capital Investment Plan, the Community Energy Plan, and the Human Resources Plan;
- Guidelines, tools and templates to assist in the creation of these different elements of the ICSP are available through the Community Government Toolkit located on the MACA website; and
- Additional tools and resources will be shared via the Community Toollkit and through the NWTAC and LGANT websites/organizations as information becomes available.

Staff from MACA and the Arctic Energy Alliance are available to support communities in working towards their commitments under this agreement. In addition, the School of Community Government has incorporated the requirements of the Integrated Community Sustainability Plan into the revised course materials and has added events such as a workshop on Strategic Planning into the curriculum for community governments.

Community Capacity Building Fund

All 33 communities in the Northwest Territories have received funding under the Government of the Northwest Territories' Community Capacity Building Fund (CCBF). The one-time $35 million fund supports collaboration and consensus by bringing community organizations together to decide on projects that will benefit all residents.

The funding was made available by the Government of Canada under the Northern Strategy. Approved projects include the development of new or enhanced community facilities; improved transportation systems; infrastructure enhancements; and community beautification and enhancement projects. Over 230 community projects have been supported with the CCBF.

Recipients of the CCBF must provide the Department with a report on activities accomplished, including copies of available plans, reports, photographs, and other relevant materials by September 30, 2008.

policy and legislation

Approved Changes to MACA Policy

Volunteer Organization Development Funding Policy

In July 2000, MACA established the Volunteer Development Contributions Policy to encourage and support volunteers and the voluntary sector in their efforts to help build effective and sustainable communities. MACA provides $20,000 per fiscal year in funding under this policy.

The Department recently amended the policy to clarify eligibility, cost sharing of expenses, and maximum funding amounts to promote timely processing of applications and assist in achieving the policy's intended objective.

Funding is limited to registration fees and/or direct travel costs, related to the organization's activities. The funding is available to non-profit, charitable, or non-government and non-sport organizations that provide a service or resource with no intent to profit from their activities. Funding shall be provided on a cost share (50/50) basis to a maximum of $1,500. Voluntary organizations include the large number of unincorporated community groups made-up of volunteers who function in an informal manner.

Community Land Development Policy

In April 2003, MACA established the Community Land Development Policy to fund the physical development of communities and the provision of land for residential, municipal, commercial, and industrial development. MACA had a $300,000 annual budget that was provided to non-tax based communities for this purpose.

Effective April 1, 2007, funding previously used to fund non-tax-based community land development was rolled into the overall capital formula funding provided under the New Deal for NWT Community Governments, and the Community Land Development Policy was rescinded. As per

the provisions of the Community Public Infrastructure Policy (put into place at the beginning of 2007-2008 and used by the Department to flow capital funds) communities decide their own priority capital projects, including land development projects such as subdivision planning and legal surveying. The ability of community governments to fund land development is also supported by funding received from MACA under the Property Taxation Revenue Grant Program.

Policy and Legislation Currently Under Review

Training Services Fund for Community Governments

MACA's School of Community Government has been successful in engaging experienced community government employees to deliver courses developed and administered through the Department. Training delivered by experienced community government employees has proven highly effective and beneficial to participants.

This approach allows community governments to share and benefit from the expertise of qualified community government staff employed to perform technical functions. It also supports the goal of building northern capacity.

To ensure that community governments are appropriately reimbursed for work performed by community government staff on behalf of MACA, the Department is developing a Training Services Fund Policy. Through the fund, MACA may contribute up to 100 percent of the total cost of staff expenses related to the delivery of community government training.

Funding may be provided to cover training related expenses such as travel, accommodation and meals consistent with GNWT rates; wages, benefits, and employment insurance consistent with that provided by the community government employer, and training materials and aids as determined by the School of Community Government. Funding may also be provided for the development of training skills for community government staff that have been requested by the School of Community Government to deliver community government training.

MACA anticipates that the Training Services Fund for Community Governments will be in place before the end of 2007.

Disaster Assistance Policy

The Disaster Assistance Policy is intended to assist community governments, small businesses and residents to recover from the effects of a disaster. Disaster assistance is intended to provide reasonable levels of financial assistance, but does not offer full compensation for damage or loss. The Disaster Assistance Policy has not been reviewed since its 1992 creation, although minor revisions were made to the policy in March 2005.

MACA has initiated a review of the Disaster Assistance Policy to ensure the provisions meet contemporary needs. Work is complete on researching comparable policy, legislation, procedures, and practises in other jurisdictions and examining the current environment in the NWT.

The Department has also obtained the views of GNWT departments, NWT communities, and other stakeholders.

Based on this analysis, MACA is developing a proposal for potential changes to the current policy. MACA anticipates that the review will be complete during the winter of 2008 and the Department will communicate any changes to all stakeholders.

Planning Act

In 2005, MACA began a review of the *Planning Act* in order to address a number of issues with the *Act*, including the prescriptive nature of the *Act* and the need for its provisions to be brought more in line with the planning legislation of other jurisdictions. Since 2005, the Department has prepared and distributed the discussion paper "Community Planning, Community Decisions: Options for Changing the *NWT Planning Act*" and has received comments from community governments, residents and other stakeholders.

MACA has compiled the information received during the consultation process and is now moving forward with legislative changes. During the consultation process it became clear that a complete overhaul of the *Act* is required. MACA, therefore, is looking to revoke the existing *Planning Act* and replace it with more effective legislation.

The new legislation will be called the *Community Planning and Development Act* and will include enhanced authority for community governments and more streamlined approval processes. It will also include an increase to the maximum penalties allowed under the *Act* for violations to community zoning bylaws and more clearly defined roles for the GNWT and community governments.

MACA is planning to have the draft bill completed and introduced to the Legislative Assembly in 2008.

Senior Citizens and Disabled Persons Property Tax Relief Act

The current Senior Citizens and Disabled Persons Property Tax Relief Act was passed in 1988, and allows for the relief of property tax to senior citizens (aged 65+) and disabled persons. In the General Taxation Area (GTA), the GNWT provides 90 per cent of the relief to qualified citizens. In the Municipal Taxation Areas (MTAs), the GNWT and the municipality match grants of up to 50 percent each, providing up to 100 percent relief to qualified citizens. There are no regulations currently in place.

In recent years, concerns have been raised by stakeholders, including the NWTAC, regarding the process and eligibility requirements related to the *Act*. Over the past year, MACA conducted an internal review of the required amendments to the *Act* and is now proposing a series of amendments to ensure that the *Act* is administered in an equitable and consistent manner that ultimately ensures that seniors and disabled persons are able to remain in their homes for as long as possible.

MACA is currently consulting with interested stakeholders, including tax-based community governments, relevant GNWT departments (Finance; Health and Social Services; Education, Culture and Employment), the NWT Seniors' Society, the NWT Council of Persons with Disabilities, the NWT Association of Communities, and the Local Government Administrators of the Northwest Territories.

Based on the responses received to date, stakeholders are generally supportive of the proposed amendments to the *Act*. However, based on a request for additional time for some stakeholders to prepare a response, MACA extended the deadline for comments from August 31,

2007 to November 17, 2007, and is anticipating that amendments may be finalized in 2008.

MACA is consulting with stakeholders on the following proposed amendments to the Act:

Differences in Eligibility Criteria

The provisions in the Act discriminate between eligible persons living in the GTA and in an MTA in that eligible persons living in an MTA may only receive an exemption if the co-owner(s) of the property are either also eligible applicants, or are dependents. Eligible persons living in the GTA may receive an exemption notwithstanding the status of any co-owners, and there are no provisions with respect to dependants.

It is proposed that the eligibility criteria with respect to co-ownership be restricted to eligible applicants whose co-owners are either also eligible applicants, or dependants of eligible applicants. The policy basis for this choice is that the nature of this benefit is income security, and should accrue solely to eligible applicants who have no other source of income.

Ministerial Exemption

It is proposed that a provision be added to enable the Minister to grant exemptions to eligible persons, where the MTA has not passed the bylaw to ensure that eligible persons receive exemptions.

Maximum Exemption, and "Grandfathering"

In MTAs, the community government absorbs a maximum of 50 percent of the eligible person's property taxes, and the MTA is reimbursed for that amount by the Minister of MACA. The eligible person pays up to 50 percent of his or her property taxes to the MTA directly. In the GTA, the Minister of Finance exempts 100 percent of the eligible person's property taxes.

If MTA status is extended to additional community governments who are now GTAs, some eligible persons now assessed property taxes in the GTA will come under the auspices of MTAs, and as a result, will lose benefits. A provision to "grandfather" these individuals' benefits will ensure fairness.

It is proposed that the maximum exemption for eligible persons be 50 percent of assessed property taxes.

Previous Year's Property Taxes

A new provision is required to clarify that the exemption is limited to the previous year's assessed property taxes.

Financial Administration Act

The NWT is the only jurisdiction in Canada providing annual exemptions from property taxes to senior citizens and disabled persons. Like many other jurisdictions, the NWT does have the ability to grant rebates in property taxes to homeowners generally, pursuant to the Home Owner's Property Tax Rebate Act, and the last such rebate was made in 1995.

Creating a clear provision that exemptions are subject to the availability of funds made from annually approved appropriations may lessen the general perception that exemptions from property taxes for senior citizens and disabled persons are a right rather than a privilege.

If you have any comments on the proposed amendments, please send information to your regional MACA office.

Local Authorities Elections Act

The Local Authorities Election Act provides local authorities, such as municipal councils and district education authorities, with the process to conduct their elections. The *Act* includes the appointment of personnel, election schedules, eligibility criteria, standards, and procedures for polling stations, appeal processes, and the role of the Chief Municipal Electoral Officer.

Over the past few years representatives of community governments and the NWTAC have requested that the *Local Authorities Election Act* be amended to address a number of issues. These issues include a reduction in the length of the election period, providing for alternate voting methods and introducing alternate procedures to be followed in the event of electoral ties.

MACA is preparing a discussion paper to solicit feedback from local authorities, residents and other stakeholders on possible changes to the *Act*. MACA staff are currently conducting research on the legislation in place in other jurisdictions to examine more closely the NWT legislation and gain insights into possible amendments to the *Act*. This information will be included in the discussion paper to ensure stakeholders have the information they need to provide feedback. MACA is planning to release the discussion paper in 2008.

Financial Regulations

There are a series of regulations that relate to the ability of community governments to be able to borrow and invest monies. These regulations include *Authorized Lenders Regulations, Debt Regulations and Investment Regulations* that are associated with the *Charter Communities Act, Cities, Towns and Villages Act* and the *Hamlets Act* and the *Tlicho Community Government Act*. These regulations all need to be updated to work with new capital authorities – particularly in the areas of debt limits and borrowing opportunities. In addition, there is a need to ensure that these regulations allow communities to take advantage of other municipal lending opportunities through programs such as the the Federation of Canadian Municapalities, Municipal Green Funds.

Amendments to these regulations have been drafted for consultation and will be brought forward for consideration early in 2008.

In addition to these regulations, MACA has also been working with the Department of Finance to investigate whether the former Loans to Municipalities Program could be revitalized to be an option for community governments who need to finance infrastructure.

Fire Prevention Act

All structures in the Northwest Territories must be constructed, altered and repaired in accordance with the applicable codes and standards in the *Fire Prevention Regulations*, which are made by the Commissioner on recommendation of the Minister and enforced by the Office of the Fire Marshal.

Currently in the NWT, the technical standards adopted in the *Fire Prevention Regulations* for fire safety are outdated, including the National Building Code. The current National Building Code adopted in the regulations is the 1995 standard. The National Building Code is normally reviewed and updated every five years through a national review process. Approximately half of the other Canadian provinces and territories have already adopted the 2005 standard, with the other half adopting their own codes based on the 2005 standard.

MACA will be amending the *Fire Prevention Regulations* to revoke the adoption of the National Building Code, 1995, and adopt the National Building Code, 2005 for fire safety purposes.

The 2005 standard differs from the 1995 standard in that it is an objectives-based code. An

objectives-based code sets out what must be accomplished, and the designer of the building plan proposes safe solutions to meet the goal. The criteria to ensure that the objectives of the National Building Code have been met will be approved by an accredited testing agency. Red Seal trades people adhere to occupational standards for accomplishing objectives; similarly architects and professional engineers adhere to professional standards, and in addition, are governed by the requirements of their self-governing professional associations. The change from prescriptive to objective-based codes does not alter the requirements contained in the *Fire Prevention Act*.

MACA anticipates that the proposed amendments to the regulations will be complete in early winter 2007 and they will be gazetted through the regulatory process. The Office of the Fire Marshal will issue a Technical Bulletin to industry, advising of the date of the coming into force of the amended provisions and will advise the Northwest Territories Construction Association and the Northwest Territories Association of Professional Engineers, Geologists and Geophysicists.

appendix A

Calculation of Community Government Operations and Maintenance Funding

The following formula has been used to calculate the operations and maintenance (O&M) funding allocations for each community in 2007-2008.

The three factors used to determine funding allocations are:

- Population % – The community population as a percentage of the total NWT population.
- Community Infrastructure Indicator – The assessed value of all properties within a community boundary from the Assessment Roll. Where assessment is not done
- Northern Cost Index (NCI) – A factor that is specifically designed to determine community governments' relative costs. The NCI adjusts funding allocation to reflect the differing costs of community government goods and services in NWT communities.

The formula essentially determines a proportionate share of the total formula-based funding amount for each community government. The formulas used by MACA to determine the total formula-based funding amount for each community government are:

To determine the community points for each community and the sum of all communities' points:

For Settlements and designated Bands
Community Points = [14,534,779 x Population % + 0.00425 x Infrastructure Indicator + 222,982] x NCI

For all other communities
Community Points = [13,458,723 x Population % – 0.00130 x Infrastructure Indicator + 482,672] x NCI

To determine the community's appropriate share (expressed as a percentage):

Community's Proportionate Share (%) = Community Points/Sum of All Communities Points

To determine the formula-based funding amount:
Community's Formula-Based Amount = Proportionate Share X MACA's Formula-based Funding Budget

MACA enters into a Memorandum of Understanding (MOU) with each community government to distribute formula based funding. The MOU outlines the funding projections, the responsibilities and the financial reporting requirements.

appendix B

How MACA Determines Forced Growth

Every year MACA provides all eligible community governments with annual funding to assist with the provision of municipal programs and services, as well as minor community infrastructure. The Department uses the Community Government Funding Policy and the Formula-Based Funding Policy to determine the amount of funding received by each community government.

The term "forced growth" refers to the adjustments made to the formula based funding received by community governments. These adjustments are intended to help cover the hard-to-control increases in community government costs.

The Forced Growth calculation includes two components:

- Adjustments for identified uncontrollable increased costs; and
- Adjustments for new infrastructure.

The following factors are used to determine adjustments for identified uncontrollable increased costs:

- Northwest Territories Population – changes in population will affect community government costs;
- Consumer Price Index for Fuel – changes in fuel prices will affect community government costs; and
- Salaries/Wages Indicator – increases in salaries and wages will affect community government costs.

With the exception of the new infrastructure and salaries/wages data, all of the information used to calculate Forced Growth is taken from the Northwest Territories Bureau of Statistics. For information on new community infrastructure, the Department uses the MACA capital plan. For the salaries/wages data, the Department uses historical information outlining percent increases in GNWT wages as calculated by the Financial Management Board Secretariat.

The Department prepares forced growth recommendations for funding related to the Policy for GNWT consideration every two years. Analysis on forced growth funding needs will take place during the 2008-2009 fiscal year and should any additional funding be approved, it would be implemented during the 2009-2010 fiscal year.

Forced growth funding is provided to all community governments on a proportionate basis.

appendix C

Calculation of Community Government Water and Sewage Service Funding

The following information outlines the process used by MACA to determine the water/sewer funding allocations starting in 2007-2008:

Step 1 + Step 2 - Step 3 = The total funding that MACA will provide as support to communities to support water/sewer operations.

Step 1: Determine fixed costs.

Determine fixed costs of water treatment plants, sewage treatment facilities, trucked water delivery, trucked collection of sewage. Fixed costs include labour, rates and hours; fuel and power consumption; repair and maintenance costs. Population figures are used in the calculation of fixed costs for trucked water delivery and trucked collection of sewage.

All the fixed costs are added together to determine the non-volume dependent costs for water and sewer facilities (i.e. the fixed cost of operating the system before any water is delivered or sewage is disposed of).

Step 2: Determine variable costs.

Variable costs include the following:

- Trucked fuel costs: the model assumes the standard volume of water (90 litres per person per day on a trucked system), the cost of fuel in the community and the amount of fuel required to deliver a standard volume of water in the community (based on Fort Providence's fuel consumption).
- Water treatment plant and sewage treatment plant heating cost components: The type of water/sewer system determines the volume of heating fuel required to heat the system. Based on that standard volume of heating fuel, a community specific cost can be determined using the community specific heating fuel costs.
- Water treatment plant and sewage treatment plant power costs: a standard volume of power required to operate each type of system is determined, this figure is then adjusted to reflect the community specific per kilowatt hour costs.
- Piped system fuel and power costs: where there is piped infrastructure, the fuel required to temper the standard volume of water (225 litres) per person per day and the power required to pump this volume of water through a piped system are both determined, and then adjusted to reflect the

community specific power and fuel costs. Based on Fort Smith's fuel consumption and power costs.

- Using the analytical basis of the November 2004 Building Healthy Communities Report, two per cent of the capital cost of the system is assumed to be budgeted for repair and maintenance costs.
- An assumption of nine per cent of the total of Step 1 and Step 2 is used to determine an administration overhead for delivery of the water/sewer program.

Step 3: Determine revenue:

Each community has the ability to collect revenue from their water/sewer program through customer charges. Based on MACA's historical data and the prior policy, an adjustment is made to the standard fixed costs to adjust for the revenue that a community could receive towards the cost of operating their system.

appendix D

Calculation of Capital Formula Funding

The capital formula is a "base plus" approach, comprised of a base amount and the reminder allocated through a formula.

Each community will receive two percent of the total available fund of $28 million; this equates to $560,000 per community as a base amount.

The remainder of the $28 million is allocated using a formula which includes the current replacement value for the community's infrastructure and the community's population, as follows:

Calculation of the community public infrastructure funding amounts

To determine the base funding amount for each community:

Base Funding = 2% X MACA's Community Public Infrastructure Funding Budget

To determine the Community Points for each community:

$$\text{Community Points} = \frac{90{,}000{,}000\ (\text{community \% population})^{-0.4612}}{20\ \text{years}} \times \text{Community \% Population}$$

To determine the community's proportionate share:

$$\text{Community's Proportionate Share} = \frac{\text{Community Points}}{\text{Sum of All Communities Points}}$$

To determine the community public infrastructure funding amount:

Community's Capital Funding Amount = Proportionate Share X [(MACA's Budget – (Base Amount x Total # of communities)] + Base Amount

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